

CNO BRIEF Integrate PWDs into



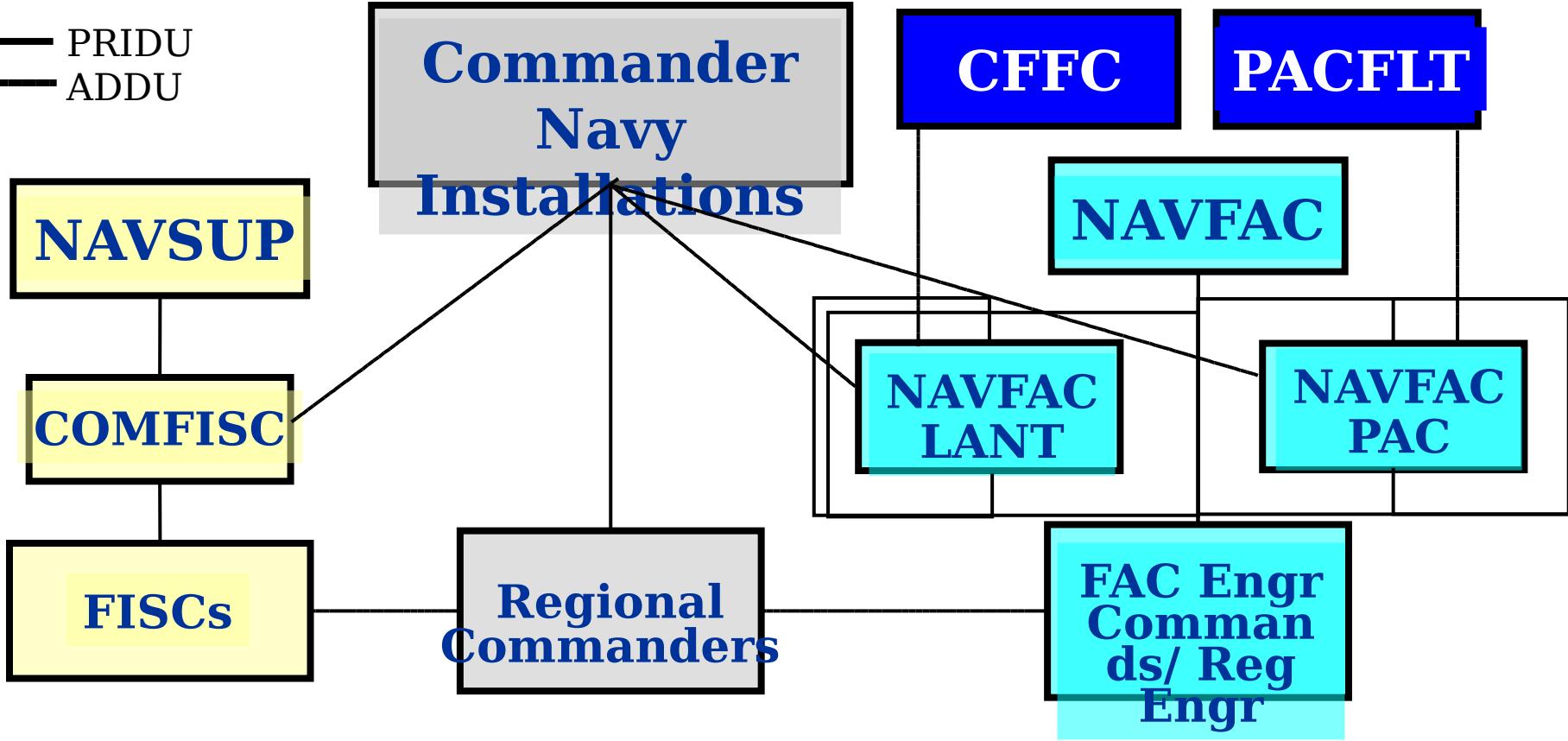
FECs

- Brief to CNO in Feb established strategic direction
 - Understanding Costs
 - Structural Alignment
 - Functional Alignment and Metrics
 - HR Strategies
 - Sustaining Change
- Establishing FECs is cornerstone of Structural Alignment
- Need to integrate PWDs into FECs
 - Savings taken by Sea Enterprise in POM 06 (25 PWDs)
 - Need to establish “one Public Works model” for the Navy
 - Need to establish a common process to do this

Aligned Navy Shore Establishment



— PRIDU
— ADDU

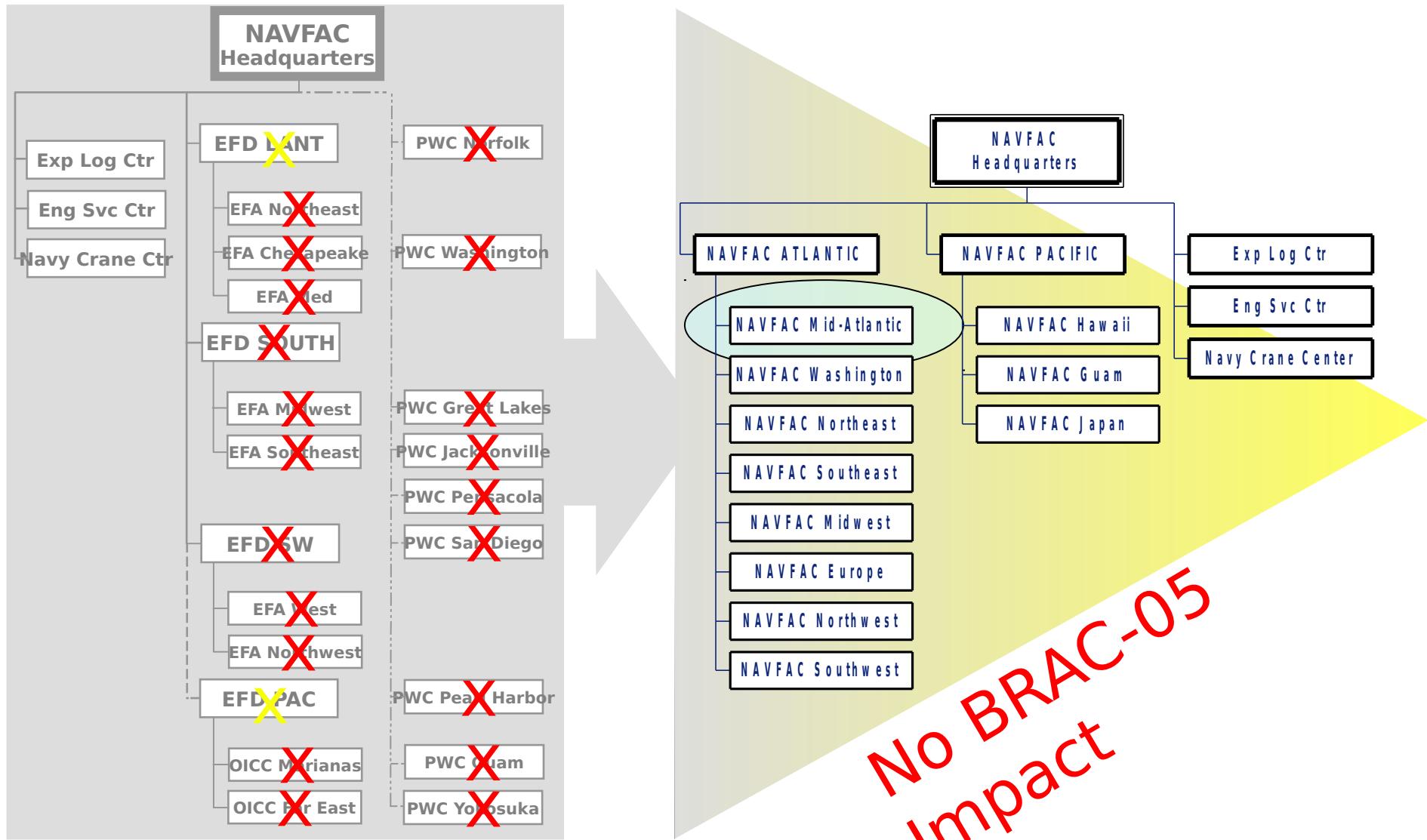


- **FECs OPCON to Regional Commanders and PRIDU to NAVFAC LANT or PAC**
- **ACQ and Real Estate contract authority preserved**
- **USMC support maintained**

- **Establishes clear authority/accountability to drive change and achieve Navy-wide savings**
- **Reduce from 25 to 16 Commands**
- **NAVFAC LANT/PAC OPCON to CFFC/PACFLT and PRIDU to NAVFAC**

Re-Alignment

Reduce Commands (25 to 16)



Facilities Engineering Commands

Stand-up Timeline



- **Summer 2004**

- Atlantic Division to *NAVFAC Atlantic*
- Name Change - Pacific Division to *NAVFAC Pacific*
- Establish *NAVFAC Mid-LANT* (Atlantic Division Hampton Roads IPT+PWC Norfolk)
- Establish *NAVFAC Washington* (EFA Chesapeake+PWC Washington)
- Establish *NAVFAC Midwest* (EFA Midwest+PWC Great Lakes)
- Establish *NAVFAC Japan* (OICC Far East+PWC Yokosuka)
- Decommission EFA West (Daly City, CA)
- Decommission PWC Pensacola

- **Summer 2005**

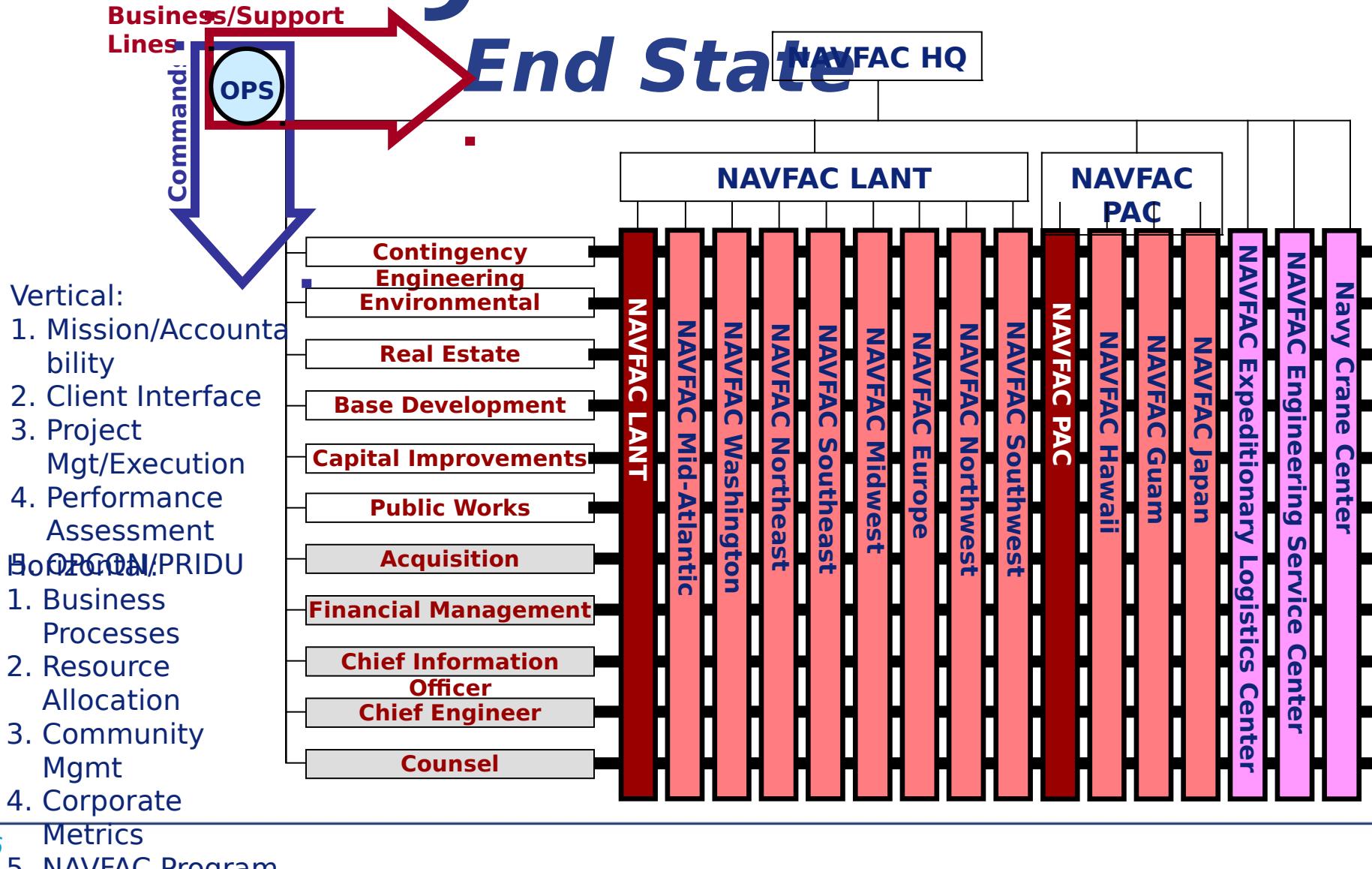
- *NAVFAC Hawaii* (NAVFAC Pacific Pearl IPT+PWC Pearl Harbor)
- *NAVFAC Guam* (OICC+PWC)
- *NAVFAC Southwest* (Southwest Division EFD+PWC San Diego)

- **Summer 2006**

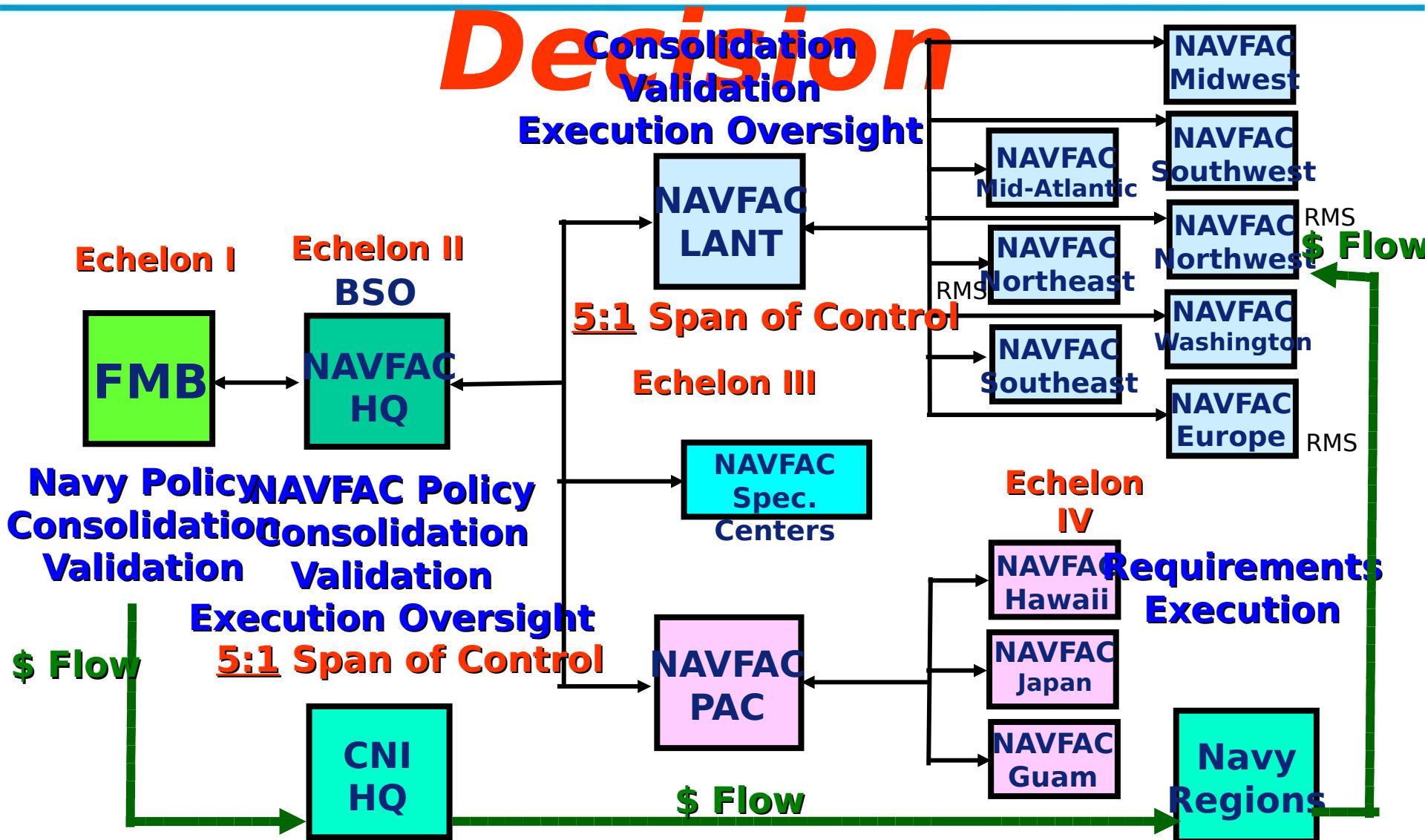
- *NAVFAC Southeast* (SOUTHDIV, EFA Southeast and PWC Jacksonville)

Functional Organization

End State



Budget Flow -

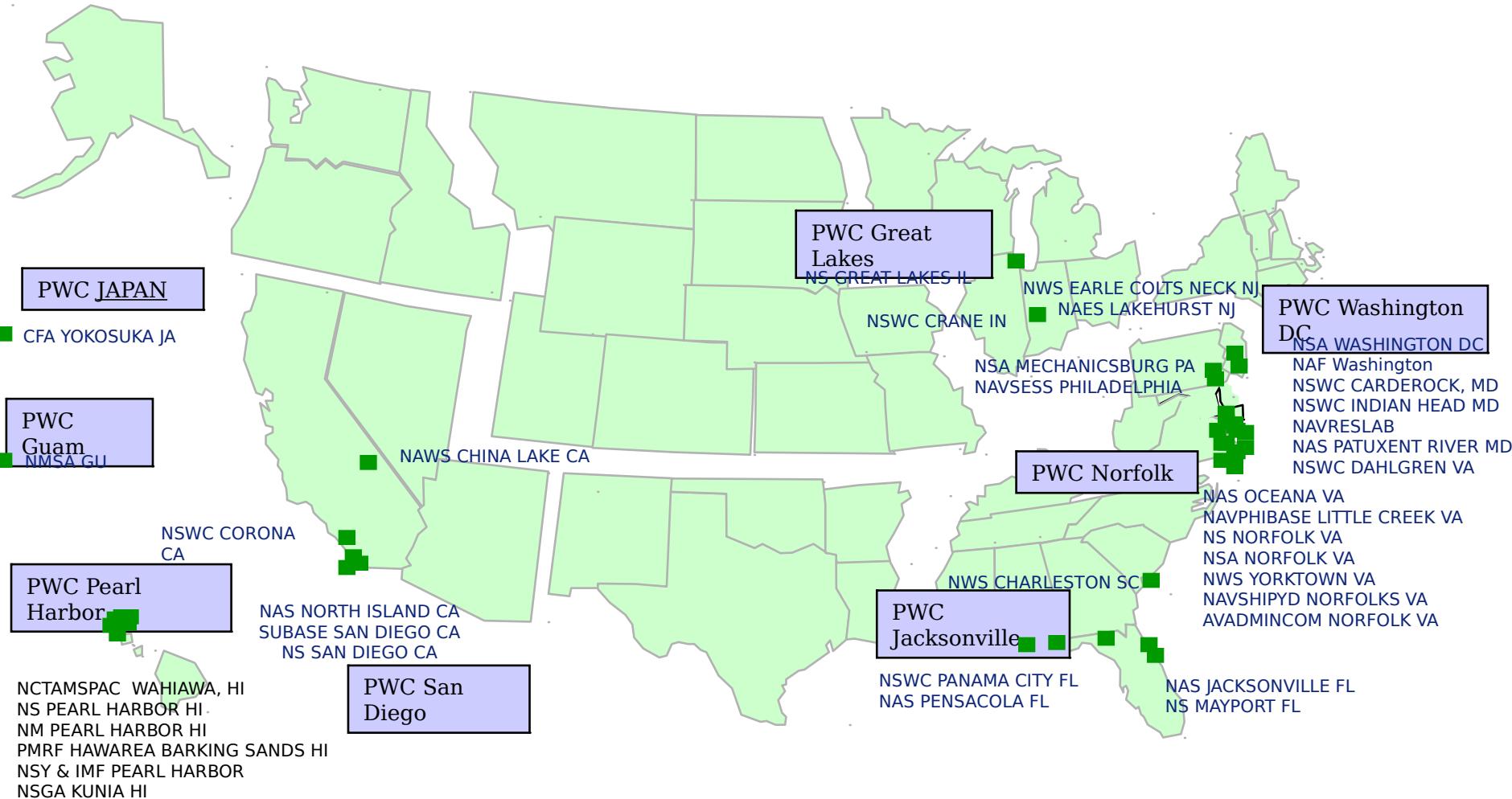


PWD BCA Background and Status



- CNI N4 Funded, PWFSO Developed
- **Recommendation:** Convert 25 CONUS, O&MN funded Public Works Departments to Detachments under Existing NWCF Public Works Centers
 - Standardizes to a single method of delivering Public Works functions across all CONUS regions.
 - Benefits from NWCF funding flexibility and enterprise processes/ tools
 - Aligns with NAVFAC strategy to realign into Facilities Engineering Commands
- Requires FMB support to expand NWCF base
- BCA Contains Macro Level Analysis (Extrapolated Savings)
- Concept & Savings Included in NAVFAC Echelon II Brief to CNO
- CNO N46/CNI POM 06 initiative
 - \$123M Cumulative Savings Over FDYP
 - N-46 IRCA Brief to CNO on 04/13/04

Navy PWCs 2004 And 38 Supported Installations





Current Plan for PWD Integration in FY06

NS Everett, WA

NAS Whidbey Island, WA

NS Bremerton, WA

SUBASE Bangor WA

NAVREG Northwest Keyport WA

NAVAIRSHIPYD Puget Sound WA

NAS Fallon NV

NPSGS Monterey, CA

NAS Lemoore, CA

NB Ventura County, Point Mugu, CA

NWS Seal Beach, CA

NAF El Centro, CA

WV

NAS JRB Willow Grove PA

TN

NSA Millington

MS

NAS Meridian

NSA New Orleans, LA

NAS Corpus Christi, TX

NS Ingleside, TX

NAS Kingsville, TX

NAS Brunswick, ME

NSY Portsmouth (NWCF)

NSU Saratoga Springs, NY

SUBASE New London

NS Newport, RI

Sponsoring PWC*

PWC San Diego: 12

PWC Jacksonville: 8

PWC Norfolk: 7

PWC Great Lakes: 4

PWC Japan: 4

PWC Washington: 0

PWC Pearl Harbor: 0

PWC Guam: 0

Japan

COMFLEACT Sasebo JA

COMFLEACT Okinawa JA

NAF Atsugi JA

NAF Misawa JA

Total FY06: 35 PWDs

* For NAV06 A-11 Budget Submission

I. Tasking

Objective: Review the 416 Products and Services that NAVFAC and Public Works Centers

deliver to the Navy (and other clients) and suggest candidates to divest. These divestitures

should save the Navy dollars (directly or indirectly). The intended savings could be

harvested for redirection to support the CNO's Sea Enterprise initiative.

This "jump start" in divestiture was needed to support preparation of the CNO Brief. Follow-on work will obviously be required. The desired outcome is a low goal of 15% divestiture, which would be 66 of the 416 Product and Service deliverables from the R vs M matrix.

Suggested Lead: LANTDIV Business Officer with other NAVFAC component Business Officer's support; established a Public Works Center supporting role, with PWC Norfolk's Business Officer as lead.

Deliverables:

By Jan 19: Divestiture Candidates by Categories

By Jan 23: Divestiture Savings by Categories (with breakdown by M & R \$)

By Mar 11: Concise Divestiture report to NAVFAC

Divestiture Process: It is anticipated that NAVFAC HQs BLLs will ultimately incorporate a disciplined divestiture focus, integral to Business

Category No. 4: The divestiture candidates in this category were viewed as products or services that could be re-established with the Navy which could be a combination of “transfer to another provider” and the new service provider “outsource to the private sector”. To the extent that some ideas propose a

Divestiture Concept (4) Divest within Navy including Reverse Divestitures										
No.	Bus. Line	Product Line & No.	Product/Service	Current Provider	Future Provider	RvMMatrix Funds	Risk Exposure	M Work Yrs	R Work Yrs	Explanations
1	BD	V-5	Basic Facility Requirements Reviews	EFD	Region	M-MI	Low	27		Regions are responsible for BFR preparation. EFD review not required.
2	BD	V-10	RSIP Link Database Input	EFD	Region	R	Low		22	Include in RSIP contract, transferred to Regions. Regional Commands will execute by contract.
3	BD	V-19	Space Management	EFD	Region	R	None		0.6	Region should do this
4	BD	W-1	IPL Review(Derolition, MCON, and Special Projects)	EFD	Region	M-MI/2, SIOH	Medium	22		Region should do this
5	BD	W-5	MCON/Activity 1391 Development	EFD	Region	R	None		18	Region generates 1391s with PWO's input
6	BD	W-9	Economic Analysis (Non-MILCON)	EFD	Navy Command	R	Low		0.6	Action proponents developing proposals, and/or projects less than MILCON scope, would be expected to consider economics as part of their decision to proceed; disestablishment of service would be explained to all clients in advance of an effective 1 Oct 05; considered non-controversial.
7	EV	C-3	Preparation/Review of CATEX	EFD	Region	R	Medium		0.7	Regions already perform the preparation of CATEX. Suggest elimination of duplicative review. If the region feels it does not have the expertise to do the CATEX, then the region could obtain from the EFD and still eliminate the review.
8	EV	L-1 thru L-11 & L-17 thru L-45	Entire group of P/S in Compliance	Base/Regional Staff	NAVFAC	M&R	None	400		With the evolution of the environmental compliance program environmental staffs have developed at the base and region level, in addition to the staffs required at NAVFAC components. Since these environmental staffs developed independently, they are opportunities to perform environmental compliance functions more efficiently from NAVFAC. Recommend review of functions and consolidate all Region & Base compliance assets at appropriate NAVFAC components.
8a	EV	NF BLL Line Divestitures	EV BLL reductions	PWC/ESC	EFD/FEC	R	Low	193		Some functions within the environmental compliance product line performed at PWC and ESC are more appropriately performed at the EFDs. Recommend review, identification, and elimination of redundant efforts and consolidate appropriate compliance assets

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Guiding Principles



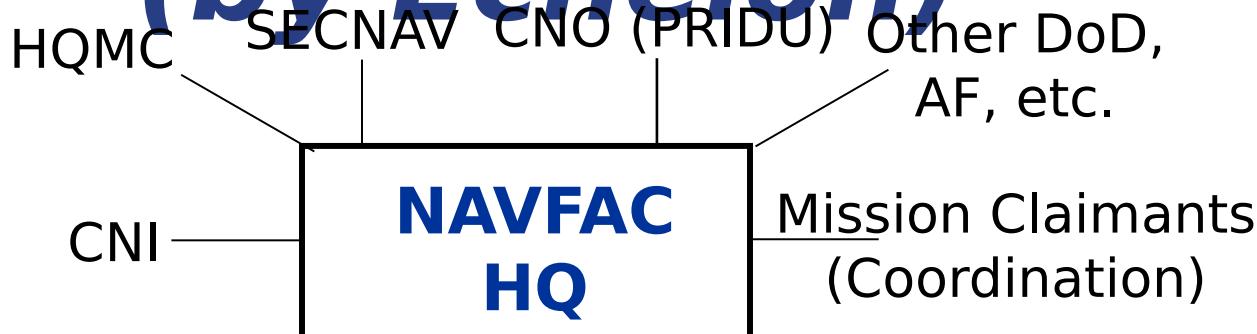
- **Every Echelon has both “horizontal” and “vertical” responsibilities**
- **Matrix management requires a high degree of situational awareness of both management issues (horizontal “how”) and leadership issues (vertical “what”)**
- **No one Echelon can operate independently...all three must act seamlessly as a team, and it is a primary responsibility of the Commander / Commanding Officer to ensure this happens**
- **Within NAVFAC accountability is both vertical and horizontal**

Supported Commands

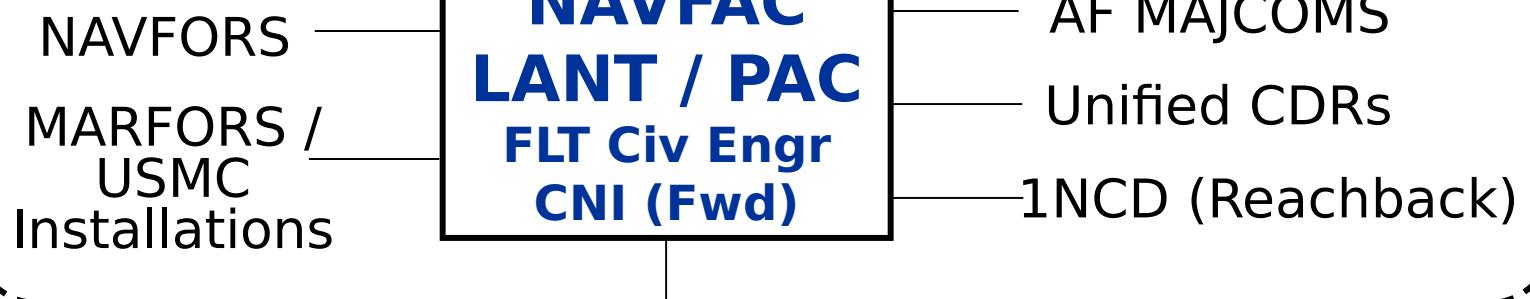


(by Echelon)

II



III



IV

Regions (OPCON)



ROLES & RESPONSIBILITIES



Echelon II

NAVFAC Headquarters

- NAVFAC Wide Policy
- NAVFAC Wide Guidance
- SECNAV Interface
- CNO/HQMC Interface
- CNI Liaison/Support
- Business/Support Line Management
 - BL/SL Policy
 - Process Development
 - Oversight of Overall BL/SL Execution
 - BL/SL Resourcing
 - BL/SL Requirements for WFS
- NAVFAC Program Management
- Community Management & WFS
- Overall NAVFAC Financial Management and Resource Allocation
- ISIC for NAVFAC LANT/PAC & Specialty Centers

Echelon III

NAVFAC LANT/PAC

- CNI Forward / FLT Civil Engr
- Interface w/CFFC/COMPACFLT
 - Integration of CFFC/COMPACFLT Requirements into Echelon III/IV Planning/Execution
- Provide Support to FECs
- Business/Support Line Management:
 - BL/SL Support to Echelon II BLL/SLLs
 - Oversight of FEC Business Process Implementation
 - Oversight of FEC Business Line Execution/Metrics
- Financial Management of Echelon IV FECs
- ISIC for FECs in AOR

Echelon IV

Facilities Engineering Commands

- Regional Engineer
- FEC Support to Customers
 - Work Execution
 - Product/Service Delivery
 - IPT Support/Management
- Implementation of Business Line Processes
- Regional Commander Support
 - FEC--Region Coordination
 - Integration of Regional Requirements
 - Interface w/Regional Commanders
- Human Resources
 - WFS Implementation
 - Career Development
- Interdependent Support to other FECs

